

488th meeting of the Accounts Commission for Scotland

Thursday 7 April 2022, 9.30am

by video conference and public livestream

Agenda

1. **Apologies for absence**

2. **Declarations of interest**

3. **Order of business**

The Chair seeks approval of business, including proposing taking items 11 to 14 in private (* see note).

Business requiring decisions in public

4. **Minutes of meeting of 10 March 2022**

5. **Annual governance review**

Report by the Secretary.

6. **Strategic Alliance between the Accounts Commission and the Improvement Service: Annual Review**

Report by the Secretary.

Business for information in public

7. **Secretary's update report**

Report by the Secretary.

8. **Chair's update report**

Report by the Chair.

9. **Interim Controller of Audit's update report**

Report by the Interim Controller of Audit.

Any other public business

10. **Any other public business**

The Chair will advise if there is any other public business to be considered by the Commission.

Business requiring decisions in private

11. **Local government in Scotland: Overview 2022 - draft report**

Report by the Interim Director of Performance Audit and Best Value.

12. **Performance audit: draft report - Reviewing Scotland's financial response to the Covid-19 pandemic**

Report by the Interim Director of Performance Audit and Best Value.

Business for information in private

13. Best Value Working Group update

Report by the Secretary.

Any other private business

14. Any other private business

The Chair will advise if there is any other business to be considered by the Commission in private.

* It is proposed that items 11 to 14 be considered in private because:

- Item 11 proposes a draft publication which the Commission is to consider in private before publishing.
- Item 12 proposes a draft performance audit which the Commission is to consider in private before publishing.
- Item 13 may require the Commission to consider confidential policy, commercial and contractual matters.
- Item 14 may be required if there are any confidential matters that require to be discussed out with the public domain. The Chair will inform the meeting in public at the start of the meeting if this item is required and what it covers.

MEETING: 7 APRIL 2022

MINUTES OF PREVIOUS MEETING

Minutes of the 487th meeting of the Accounts Commission held via 'hybrid' (in-person and online) meeting, in the offices of Audit Scotland at 102 West Port, Edinburgh and online on Thursday 10 March 2022, at 9.30am.

PRESENT:

- * William Moyes (Chair)
- * Andrew Burns
- ** Andrew Cowie
- ** Sophie Flemig
- ** Sheila Gunn
- ** Christine Lester
- * Tim McKay
- ** Stephen Moore
- ** Sharon O'Connor
- * Geraldine Wooley

- * In person
- ** Online

IN ATTENDANCE:

- Paul Reilly, Secretary to the Accounts Commission
- Antony Clark, Interim Controller of Audit and Director of Performance Audit and Best Value (PABV)
- Michelle Borland, Business Manager, PABV (item 10)
- Elaine Boyd, Director, Audit Quality and Appointments (AQA) (item 16)
- Carol Calder, Audit Director, PABV (item 8)
- Gemma Diamond, Audit Director, PABV (item 10)
- John Gilchrist, Manager, AQA (item 16)
- Pat Kenny, Director, Deloitte LLP (items 6 and 15)
- Kenneth Lawrie, Chair, Local Government Benchmarking Framework Board and Chief Executive, Falkirk Council (item 7)
- Emily Lynch, Programme Manager, Improvement Service (item 7)
- Owen Smith, Senior Manager, AQA (item 16)
- Martin Walker, Acting Director of Corporate Services (item 17)
- Karlyn Watt, Senior Manager, Deloitte LLP (items 6 and 15)
- Nichola Williams, Senior Auditor, PABV (item 8)

<u>Item</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Order of business
4.	Minutes of meeting of 10 and 17 February 2022
5.	Minutes of meetings of Commission committees of 24 February 2022
6.	Statutory report – Orkney and Shetland Valuation Joint Board
7.	Local Government Benchmarking Framework: National Benchmarking Overview Report 2020/21
8.	Annual Assurance and Risks Report 2022
9.	Work programme: stakeholder consultation feedback 2022
10.	Strategy and work programme: Work programme update
11.	Secretary's update report
12.	Chair's update report
13.	Interim Controller of Audit's update report
14.	Any other public business
15.	Statutory report – Orkney and Shetland Valuation Joint Board (in private)
16.	New audit appointments: portfolio proposals (in private)
17.	Audit Scotland update (in private)
18.	Best Value Working Group update (in private)
19.	Any other private business (in private)

1. Apologies for absence

It was noted that no apologies for absence had been received.

2. Declarations of interest

The following declarations of interest were noted:

- Andrew Cowie, in items 6 and 15, as a former Her Majesty's Assistant Inspector of Constabulary and former Chief Officer of Police Scotland, and thus previously involved in partnership working with Orkney and Shetland councils.
- Tim McKay, in item 16, as Chair of the Audit Committee of the Scottish Legal Aid Board, being a body currently audited by Audit Scotland.
- Geraldine Wooley, in items 6 and 15, as a member of Fife Valuation Appeals Committee and as a member of the Royal Institution of Chartered Surveyors, in relation to references to valuation matters.

3. Order of business

It was agreed that the following items be considered in private:

- Item 15, as it required the Commission to consider actions in relation to a report by the Interim Controller of Audit. The Commission is then obliged by statute to inform the appropriate body of its decisions, which the Commission does before making the decision public.
- Item 16, as it required the Commission to consider confidential commercial and contractual matters.
- Item 17, as it may have required the Commission to consider confidential policy matters.
- Item 18, as it may have required the Commission to consider confidential policy, commercial and contractual matters.

The Chair advised that there was no business for item 19.

4. Minutes of meeting of 10 and 17 February 2022

The minutes of the meeting of 10 and 17 February 2022 were approved as a correct record, subject to including Christine Lester in the attendance list.

Arising therefrom, the Commission:

- In relation to item 7, seventh bullet point, noted advice from the Secretary that responses to the various consultations and inquiries had been made available as appropriate to members.
- In relation to item 8, fourth bullet point, noted advice from the Interim Director of PABV that further information on the funding of health and social care integration, including references in the Budget to the proposed National Care Service, would be provided in forthcoming overview reporting.
- In relation to item 14, noted advice from the Interim Director of PABV that the briefing on drug and alcohol services had been published on 8 March.
- In relation to item 15, second bullet point, noted advice from the Director of PABV

that the Local Government Financial Overview 2020/21 report was published on 10 March.

- In relation to item 15, fifth bullet point, noted advice from the Secretary that the future strategy for overview reporting would be discussed initially at the Commission's forthcoming Strategy Seminar, as part of its consideration of its overall Strategy.

5. Minutes of meetings of Commission committees of 24 February 2022

The minutes of the meetings of the Commission's committees of 24 February 2022 were approved as a correct record.

Arising therefrom, the Commission:

- Agreed the following recommendations of the Financial Audit and Assurance Committee:
 - That the Commission's approach to its self-evaluation be considered as part of the Strategy Seminar (paragraph 3 of the minute).

Action: Secretary
 - That the Commission respond to the emergency consultation by the Chartered Institute of Public Finance and Accountancy / Local Authority (Scotland) Accounts Advisory Committee Local Authority Accounting Code Board (CIPFA/LASAAC) on proposals by the Department for Levelling Up, Housing and Communities (DLUHC) on accounting requirements in the light of continuing delays in completing local audits in England (paragraph 6).

Action: Secretary
 - That the Commission response reflect that:
 - It does not agree with the proposal from CIPFA/LASAAC that accounts preparers should have the option to pause professional revaluation of property, plant and equipment.
 - It does not agree with the CIPFA/LASAAC proposal that preparers should have the option to pause revaluation and adopt an indexation approach.
 - It does not support further deferral of implementation of International Financial Reporting Standard 16 on lease accounting, as proposed by CIPFA/LASAAC.

Action: Secretary
 - That the Commission encourage appointed auditors to liaise with their audited body to draw attention to the emergency consultation.

Action: Secretary
- Agreed, in noting that given the short timescale involved in the consultation, the Commission Chair implemented these recommendations on the Commission's behalf, agreed retrospectively to this action.
- Agreed the following recommendations of the Performance Audit Committee:
 - That it consider its definition of and approach to human rights (paragraph 4 of the minute).

Action: Secretary & Interim Director of PABV

- That it consider how to apply a 'stress testing' approach to public services in relation to the financial and social impact of Covid-19 (paragraph 4).
Action: Secretary & Interim Director of PABV
- That it consider public involvement and participation in audit work (paragraph 4).
Action: Secretary & Interim Director of PABV
- That it consider the effect on its audit reporting and its responsibilities of the United Nations Convention on the Rights of the Child (paragraph 4).
Action: Secretary & Interim Director of PABV
- That it continue to monitor the effect of the planned reform of social care on relationships between local government, Scottish Government and the third sector (paragraph 4).
Action: Secretary & Interim Director of PABV
- That its work be provided to public inquiries at Scottish and UK levels into the impact of the Covid-19 pandemic (paragraph 5).
Action: Secretary
- That Stephen Moore has authority to agree the final draft of the blog on additional support needs (paragraph 7).
Action: Interim Director of PABV
- That Andrew Burns and Sophie Flemig have authority to agree the approach to the briefing paper on child poverty, along with the Auditor General (paragraph 7).
Action: Interim Director of PABV

6. Statutory report – Orkney and Shetland Valuation Joint Board

The Commission considered a report by the Secretary presenting the Interim Controller of Audit's statutory report on the Orkney and Shetland Valuation Joint Board ('Joint Board').

The Commission raised several questions and points of clarification from the Interim Controller of Audit and his team on his report in the following areas:

- The legal status of the unlawful decisions taken by the Joint Board (Tim McKay).
- Implications of the matter for other local government bodies (Andrew Burns and William Moyes).
- Sources of advice for the Joint Board (Sheila Gunn).
- Training and development of Joint Board members (Sheila Gunn and Sharon O'Connor).
- Sustainability of officer support for the Joint Board (Geraldine Wooley).
- The role of the internal audit function (Andrew Cowie).
- Future audit reporting on the matter (Andrew Cowie).

The Commission also noted advice from the Controller of Audit on the statutory powers used as a basis for his report.

Following discussion, the Commission agreed to consider in private how to proceed.

7. Local Government Benchmarking Framework: National Benchmarking Overview Report 2020/21

The Commission considered a report by the Secretary introducing the Local Government Benchmarking Framework (LGBF) National Benchmarking Overview Report 2020/21 and introducing Kenneth Lawrie, Chair of the LGBF Board and Chief Executive of Falkirk Council, and Emily Lynch, Programme Manager at the Improvement Service, who presented the draft report.

The Chair welcomed Kenneth Lawrie and Emily Lynch to the meeting, who undertook a presentation setting out messages from the National Benchmarking Overview Report and progress against the LGBF Board's strategic objectives.

During discussion, the Commission:

- Noted advice from Kenneth Lawrie, in response to points by Sophie Flemig, how the LGBF Board continued to consider:
 - how to ensure appropriate reporting of the effects of the Covid-19 pandemic on council services
 - how to develop the reporting of wellbeing data.
- Noted advice from Kenneth Lawrie, in response to points by Andrew Cowie:
 - on the importance of councils responding to the Commission's Statutory Performance Information Direction by not restricting the reporting of performance information to LGBF data
 - that it is his view that the Commission could be more sophisticated in its use of LGBF data in, for example, Best Value reporting.

Action: Secretary & Interim Director of PABV

- Noted advice from Emily Lynch, in response to points from Christine Lester:
 - On how the LGBF Board is encouraging councils to optimise their effectiveness in how they consider the implications of local variations in LGBF data
 - That the LGBF Board acknowledges the scope for longer-term trend analysis of LGBF data.
- Proposed to the LGBF Board that it consider points raised by Stephen Moore on:
 - Making use of data from other scrutiny bodies
 - More expansive reporting of the local government budget settlement (including for example in social care)
 - More reporting of staffing figures
 - In relation to social care, more reporting of the user experience and more analysis of service quality
 - More reporting of trends in areas of deprivation
 - In relation to looked-after children, providing more contextual analysis of data and more reporting on outcomes
 - In relation to adult social care, more reporting on mental health and adults with disabilities

Action: Secretary

- Agreed, in response to a point by Stephen Moore, that it consider how it makes better use of LGBF data in audit reporting.

Action: Secretary & Interim Director of PABV

- Noted advice from Kenneth Lawrie, in response to points by Andrew Burns, on thought being given by the LGBF Board on:
 - how to report more expansively on year-round data
 - how to make more links between finances and outcomes.
- Noted advice from Emily Lynch, in response to a query from Tim McKay, on how she is working with some councils to develop more creative use of reporting of LGBF data to citizens.

Following discussion, the Commission:

- Noted the LGBF National Benchmarking Overview Report 2020/21.
- Agreed to consider the implications of the report for its Local Government Overview report at its April meeting.

Action: Secretary and Interim Director of PABV

- Agreed, further to a point by William Moyes, that further dialogue with the LGBF Board take place in the coming months on the future development of the project and in particular on how the Board work with the Commission of making better use of LGBF data in its work, with the Commission updated accordingly.

Action: Secretary

The Chair thanked Kenneth Lawrie and Emily Lynch for attending the meeting.

8. Annual Assurance and Risks Report 2022

The Commission considered a report by the Secretary introducing the Interim Controller of Audit's Annual Assurance and Risks Report (AARR) which included seeking the Commission's consideration of proposed areas of Best Value thematic work.

During discussion, the Commission:

- Agreed that further thought be given to presenting more concisely the matters and risks reported through future AARRs.

Action: Interim Controller of Audit

- Noted advice from the Interim Controller of Audit, in response to a point by Andrew Cowie, that reporting on the performance of health and social care integration joints in the lead up to any introduction of a National Care Service represented a substantial risk to the Commission, upon which the Best Value Working Group would report to the Commission further in due course.

Action: Secretary & Interim Controller of Audit

- Noted advice from the Interim Controller of Audit, in response to a point by Sophie Flemig, that auditors were engaging with councils on progress with post-pandemic recovery planning.

Following discussion, the Commission:

- Agreed to endorse the AARR and thereby the assurance provided by the Interim Controller of Audit on his reporting to the Commission of matters arising in audit work.

- Agreed to consider the implications of the AARR for its overview reporting, strategy and work programme, most immediately at its forthcoming Strategy Seminar.

Action: Secretary & Interim Controller of Audit

- Agreed that further discussion on potential Best Value thematic audit work in 2022/23 take place with a view to subsequent engagement with auditors and approval by the Commission.

Action: Secretary & Interim Controller of Audit

- Further to this end, noting areas of interest expressed by members worthy of further reporting:
 - Community empowerment (raised by Tim McKay)
 - Reducing inequalities (Andrew Burns) and implications of the Fairer Scotland Duty (Geraldine Wooley)
 - Partnership working, particularly in the context of community planning partnerships (Christine Lester)
 - Leadership (Sheila Gunn) including succession planning (Sharon O'Connor).

Action: Interim Controller of Audit

9. Work programme: stakeholder consultation feedback 2022

The Commission considered a report by the Secretary summarising the key messages from the Commission's consultation on its work programme for 2022 and beyond and asking the Commission to consider responses from stakeholders.

During discussion, the Commission:

- Agreed that the following points from members be further considered for reflecting in the work programme:
 - Identifying areas of good practice that may be worthy of considering as part of the *How Councils Work* report series (raised by Tim McKay)
 - Identifying audit work or reporting on specific council services (Sophie Flemig, Geraldine Wooley, William Moyes)
 - Developing a place-based approach to auditing and reporting (Sophie Flemig)
 - Reporting on impact of council performance on the most vulnerable (Sophie Flemig).
 - Leadership (Sophie Flemig).

Action: Interim Director of PABV

Following discussion, the Commission noted the responses from the consultation.

10. Strategy and work programme: Work programme update

The Commission considered a report by Interim Director of PABV introducing the latest refresh of the joint Commission and Auditor General for Scotland work programme.

During discussion, the Commission:

- Agreed, further to a point by Sophie Flemig, that future consideration by the

Commission of refreshes of the work programme include more information on the resources committed to products and options therein.

Action: Interim Director of PABV

- Agreed, further to a point by Geraldine Wooley, that future work on early learning and childcare include consideration of economic impacts in this regard.

Action: Interim Director of PABV

- Agreed that the Director report further on how reporting of impact will develop.

Action: Interim Director of PABV

Following discussion, the Commission:

- Noted the progress delivering the work programme from December 2021 to February 2022.
- Noted the planned products up to September 2022.
- Agreed the proposed changes to the programme.

Action: Interim Director of PABV

- Agreed to delegate to the Chair and Interim Deputy Chair final approval for this update at a joint meeting with the Auditor General for Scotland on 21 March 2022.

Action: Interim Director of PABV

- Agreed that impact reports are not required on the performance audits outlined in paragraph 11 of the report.

Action: Interim Director of PABV

- Agreed to have an annual work programme stocktake session outside of regular work programme updates – linking with Commission strategic planning including its Strategy Seminar - to allow for more time to discuss the points in paragraph 13 of the report.

Action: Secretary & Interim Director of PABV

11. Secretary's update report

The Commission considered a report by the Secretary providing an update on significant recent activity relating to local government and issues of relevance or interest across the wider public sector.

The Commission noted advice from the Secretary that, in line with the approach agreed with Commission members, members had been given the opportunity to provide queries on the Secretary's report in advance of the meeting, a response to which he would circulate to members.

During discussion, the Commission:

- Agreed, in relation to paragraph 54, further to a query from Geraldine Wooley, that the progress of the inquiry by the Scottish Parliament's Social Justice and Social Security Committee into challenges faced by individuals on low incomes and debt problems be reported to the Commission as appropriate.

Action: Secretary & Interim Director of PABV

Following discussion, the Commission:

- Agreed not to respond to the consultations highlighted at paragraphs 30, 54 and

55 of the report.

- Noted the responses to the consultations highlighted in paragraph 6.
- Noted the report.

12. Chair's update report

The Commission considered and noted a report by the Chair providing an update on recent and upcoming activity.

13. Interim Controller of Audit update report

The Commission considered and noted a report by the Interim Controller of Audit providing an update on recent and upcoming activity.

14. Any other public business

The Chair, having advised that there was no business for this item, closed the public part of the meeting.

The livestream of the meeting was stopped at this point.

15. Statutory report – Orkney and Shetland Valuation Joint Board (in private)

The Commission discussed how to proceed in relation to the Interim Controller of Audit's statutory report on the Orkney and Shetland Valuation Joint Board.

Following discussion, the Commission agreed to make findings to be published on 22 March.

16. New audit appointments: portfolio proposals (in private)

The Commission considered a report by the Director, Audit Quality and Appointments (AQA), presenting portfolio options for the firms that are being contracted to carry out the 2022/23 to 2026/27 audits.

During discussion, the Commission:

- Noted comments by Tim McKay commending the work of the New Audit Appointments Steering Group.
- Noted advice from the Director, in response to a query from Tim McKay, on the matters taken into account by the AQA team in composing the options presented in the report.
- Noted advice from the Director, in response to a query from Christine Lester, on the impact of audit rotations and allocations on individual auditors.

Following discussion, the Commission:

- Agreed the recommendation to approve model 3 set out in the report as a basis for further refinement of audit portfolios.
- Noted the next steps in the process to be undertaken by the AQA team.
- Agreed that final portfolios be considered for approval at the April meeting of the Commission.

Actions: Director, AQA

17. Audit Scotland update (in private)

The Commission considered and noted a presentation by the Acting Director of Corporate Services providing an update on the ongoing strategic business of Audit Scotland, particularly in relation to the progress of its Strategic Improvement Programme.

During discussion, the Commission:

- Noted advice from the Acting Director on current thinking by Audit Scotland on developing an approach to future working arrangements including hybrid working, upon which he would keep the Commission updated.
- Agreed, further to a point by Sophie Flemig, that the Acting Director report further on the implications for the Commission of Audit Scotland's data security policy.
- Agreed, further to a point by Sophie Flemig, that the Acting Director discuss further with the Commission the development of for the approach to digital auditing.

Actions: Acting Director of Corporate Services

18. Best Value Working Group update (in private)

The Commission considered a verbal update by the Secretary on the work of the Best Value Working Group (BVWG).

Following discussion, the Commission noted that a written update would be provided at its next meeting.

19. Any other private business

The Chair, having advised that there was no business for this item, closed the meeting.

20. Close of meeting

The meeting closed at 3.05pm.

MEETING: 7 APRIL 2022**REPORT BY: SECRETARY TO THE COMMISSION****ANNUAL GOVERNANCE REVIEW**

Purpose

1. This report reports on the conclusion of a review of the Commission's governance arrangements.

Background

2. At its May 2021 meeting, the Commission agreed to introduce an annual governance review. This paper sets out this year's review and arising recommendations.

Context

3. There have been a number of significant changes to the Commission in the past year, including:
 - A new Chair is in place from the start of 2022.
 - Our membership is now at 10, but the new Chair has intimated that he wishes a full complement of 12 members. Planning for this is ongoing.
 - Audit Scotland's Management Team currently has two vacancies out of four places, following the departure of the Chief Operating Officer in December and the Director of Audit Services in March. The Audit Scotland Board approved a reshaping of the senior management structure of Audit Scotland, and various recruitment campaigns are currently underway.
 - The Commission is currently recruiting for a new permanent Controller of Audit.
4. All of this has been against a backdrop of the Covid-19 pandemic since March 2020, which has had significant impact on the Commission, in terms of how it does its work, of how the audit that it secures is fulfilled, and of the public service landscape on which the Commission reports.
5. This paper provides the Commission with an overview of how it works in this environment of substantial change.
6. At their recent Strategy Seminar (29 and 30 March April), Commission members discussed various aspects of the Commission's role, purpose, and powers. Their conclusions will help shape a programme of change for the Commission, which it will be considering at future meetings. Any likely influence on the Commission's governance arrangements are included in this paper.

Governance framework

7. For the purposes of this review, a summary of the Commission's governance framework is set out below. It incorporates matters in relation to the Commission's relations with other bodies (external governance), its own operation (Commission governance):

organisation) and matters affecting Commission members fulfilling their own responsibilities (Commission governance: members).

External governance	Commission governance: organisation	Commission governance: members
<ul style="list-style-type: none"> • Framework for Partnership Working • Public Audit in Scotland • Strategic agreements: strategic scrutiny partners. 	<ul style="list-style-type: none"> • Role and purpose • Commission and committee remits • Working groups • Standing orders • Commission meetings and new ways of working • Ethics arrangements. 	<ul style="list-style-type: none"> • Member Code of Conduct • Commission member development and appraisal.

8. The current position against each of these (with specific recommendations in **bold**) is as follows:

External governance	
<p>Framework for Partnership Working</p>	<p>A review of the framework is underway, led by Audit Scotland in partnership with the Commission Secretary. This will be a strategically important activity in shaping much of the Commission’s relationship with its two partners in the Auditor General for Scotland and Audit Scotland. It will also be shaped by discussions at last week’s Strategy Seminar.</p> <p>The Commission is asked to note this position.</p>
<p>Public Audit in Scotland</p>	<p>Audit Scotland had originally proposed a review of the <i>Public Audit in Scotland</i> publication as part of its Strategic Improvement Programme.</p> <p>At last week’s Strategy Seminar, the Commission was considering how its profile and branding should be reshaped, and these conclusions will feed into the review of the Framework for Partnership Working. Part of such thinking will include how the ‘Public Audit in Scotland’ concept fits.</p> <p>The Commission is asked to note this position.</p>
<p>Strategic agreements: strategic scrutiny partners</p>	<p>When considering the governance review last year, the Commission recommended to the Strategic Scrutiny Group (SSG) to consider including a systematic approach to the review of agreements between individual partners. The SSG did not subsequently conclude on this matter. Since then, the new Commission Chair has embarked on discussions with the SSG on its role and purpose.</p> <p>It is therefore proposed that this matter be kept under review, with a view to considering further at a future Commission meeting.</p>

Commission governance: organisation	
Role and purpose	<p>Commission members considered a range of matters in relation to our role and purpose at last week's Strategy Seminar. These included:</p> <ul style="list-style-type: none"> • the Commission's profile with stakeholders • how the Commission uses its statutory powers to maximise the impact of audit and of its reporting of the audit • how the Commission optimises the support available to it, including from Audit Scotland. <p>Many of these matters will be addressed in the forthcoming review of the Partnership Framework.</p> <p>The Commission is asked to note that updates on the progress of this work will be provided as appropriate.</p>
Commission and committee remits; and working groups	<p>The Commission concluded a review of its committees – including reference to working groups – last year.</p> <p>It is proposed that no further work be done in this regard at this time.</p>
Standing Orders	<p>When considering the governance review last year, the Commission noted a conclusion that its Standing Orders were effective in facilitating how the Commission meets and carries out its business. The Commission did however agree that a review of the Standing Orders be done (and reported to the Commission) to reflect other matters such as the review of committees and new ways of working. While this review has not yet been completed because of the change of leadership of the Commission, there will be matters arising at the Strategy Seminar which may require further thought.</p> <p>It is proposed that a further review be undertaken based on any matters arising from the Strategy Seminar.</p>
Commission meetings and new ways of working	<p>The Commission has in recent months introduced a hybrid approach to its formal meetings, mainly to reflect the restrictions of the pandemic. Thinking however about the forthcoming campaign to recruit new members of the Commission, there is a strong case that membership of the Commission can become a more attractive proposition if such a hybrid becomes the norm for its formal meetings.</p> <p>It is therefore proposed that the Commission consider adopting such a hybrid approach on a permanent basis, and consider what requirements be applied (e.g., mandatory 'in person' attendance at certain meetings).</p> <p>The Commission previously agreed that it develop more flexible ways of working out with formal meetings, such as supporting more asynchronous working amongst members through the Commission's Teams channel. This has had mixed effectiveness. Work continues with the Audit Scotland Digital Services Manager to identify an effective information management and meeting support package.</p> <p>It is proposed that this area of work become a priority with a view to concluding satisfactorily by the Autumn Strategy Seminar.</p>

Ethics arrangements	<p>It is a Commission policy (agreed in November 2014) to adopt the principles of Financial Reporting Council (FRC) standards, particularly the Ethical Standard, to its own work. The Commission updated in December 2017 its current approach to ethical advice. It agreed not to designate an Ethics Partner for the Commission but that the Associate Director, Audit Quality and Appointments, be designated as the source of advice to the Commission on the FRC Ethical Standard. It also agreed that the Commission Standards Officer – who is the Commission Secretary and advises the Commission on the Ethical Standards in Public Life framework and on the link with the FRC Ethical Standard – collaborate as appropriate with the Assistant Director in this regard.</p> <p>The Commission is asked to note this position.</p>
Commission governance: members	
Member Code of Conduct	<p>I reported to the Commission at its January meeting that the Scottish Government had published a code of conduct for members of devolved public bodies, setting out standards of behaviour expected to be followed by those who serve on the boards of public bodies in Scotland. Issued by ministers under the Ethical Standards in Public Life etc. (Scotland) Act 2000, the Scottish Government has asked all public bodies to adopt the new Code within six months. I intend to report back to the Commission on this matter to ensure that the Commission complies with this. Part of this report will address how the updated Code reflects Commission policy (agreed in November 2014) to adopt the principles of FRC standards, particularly the Ethical Standard, to its own work.</p> <p>The Commission is asked to note this position.</p>
Member development and appraisal	<p>In June 2021 the Commission adopted a Commission member development plan including a member development and appraisal process. In late 2021 the previous Chair began implementation of the new process with a round of one-to-one meetings with individual Commission members.</p> <p>The new Commission Chair has agreed that he will continue with the process.</p> <p>The Commission is asked to note this position.</p>

Related matters

9. There would be matters that do not strictly fit in with, but are of relevance to, Commission governance matters. These are discussed below.

Contingency planning	<p>The Commission held a session on contingency planning on 17 March. The session was based on a scenario around stakeholder confidence in and perception of the Commission.</p> <p>We await a final report from Plan B Consulting who facilitated the event, but members agreed at the conclusion of the event that there were significant learning points that should be actioned by the Commission, including where appropriate in conjunction with Audit Scotland, to manage risks around stakeholder perception and impact.</p> <p>The Commission will therefore be further considering this matter at a future meeting.</p> <p>The Commission is asked to note this position.</p>
Commission support	<p>Matters concerning the support provided to the Commission, including from the Commission Support Team, featured in discussion at last week's Strategy Seminar. Conclusions from those discussions will be taken forward with Audit Scotland.</p> <p>The Commission is asked to note this position.</p>

Conclusion

10. The Commission is invited to:

- a) Endorse the conclusion of the annual governance review
- b) In particular to agree the recommendations in bold in the above table.

Paul Reilly
Secretary to the Commission
24 March 2022

MEETING: 7 APRIL 2022

REPORT BY: SECRETARY TO THE COMMISSION

STRATEGIC ALLIANCE BETWEEN THE ACCOUNTS COMMISSION AND THE IMPROVEMENT SERVICE: ANNUAL REVIEW

Purpose

1. This report reviews the Strategic Alliance between the Commission and the Improvement Service (IS) and proposes joint priorities for the next 12 months.

Background

2. At its March 2021 meeting, the Commission approved a Joint Statement of Intent for a Strategic Alliance between the Commission and agreed joint priorities for the following 12 months. The Joint Statement was also approved by the IS Board at its meeting on 5 March 2021.
3. It was also agreed that the Commission and the IS jointly review progress in delivering the Strategic Alliance at the end of the first 12 months of its operation. This paper reports the conclusion of that review.
4. Members may recall that a six-month update was shared with them in December 2021.

Progress

5. A summary of progress against the priorities that form the basis of the Alliance is set out in **Appendix 1**.
6. When it agreed the Alliance last year, the Commission noted that it would be important for both organisations to reflect on whether the Joint of Statement of Intent is working and delivering the ambition set out. The progress shown in Appendix 1 suggests that this ambition is being met.
7. Specifically, when it considered the matter in March 2021, the Commission agreed, in response to a point made by Geraldine Wooley, that further thought be given to prioritising work with integration joint boards (IJBs). As Appendix 1 notes, Audit Scotland and IS have been working closely as part of the development of the Commission's new approach to auditing Best Value including IJBs, and it would be anticipated that IS will be able to provide an offer of self-assessment support to IJBs as part of any approach.
8. Further, IS is currently delivering self-assessment and improvement planning support to IJBs and health and social care partnerships. IS has also played a key role in setting up a joint account management approach for health and social care partnership chief officers, working with partners in the national Integration Huddle (Care Inspectorate, Healthcare Improvement Scotland, Public Health Scotland, NHS National Services Scotland, NHS Education Scotland and Scottish Social Services Council) to raise awareness of the improvement support available and to discuss their improvement needs, and how the bodies might collectively be able to respond.
9. Sarah Gadsden, Chief Executive of the IS, is present at today's meeting to participate in discussion.

Next steps

10. It is proposed therefore that the Commission restate and underline its commitment to the Alliance and that as a basis for its further development, these priorities be retained.
11. There will be a new IS Board in place following the local government elections. It is recognised, therefore, that the new Board will be asked to continue their commitment to the Alliance. We will therefore report back to the Commission after this is considered by the new IS Board. This approach can be informed by a clear commitment made by the Commission to continue the Alliance.
12. With this in mind, in **Appendix 2** we have mapped some themes between the Commission's work programme and the current IS business plan and set out how we intend to take forward our collaborative working. Given the flexible and dynamic nature of the work programme, further opportunities for collaborative working will be a core feature of ongoing dialogue between the Commission, IS and Audit Scotland.
13. Further thought is also to be given to collaboration on matters such as public performance reporting (reflecting the Commission's newly published 2021 Statutory Performance Information Direction) and on learning and development around Best Value (reflecting the new approach to Best Value auditing from 2023).
14. Most immediately, the Commission (and Alliance) will feature in IS induction material for a new intake of elected members following the local government elections. For its part, the Commission will refer to the Alliance in its next four-monthly newsletter to all elected members in Scotland (thus including this new intake) to be published in mid-July 2022.
15. The Commission is therefore asked to endorse this commitment and accompanying proposals.
16. We will further review progress in 12 months' time.

Promotion

17. With a new IS Board in place following the election, we will continue to collaborate on promoting the Alliance and the benefits for councils and integration joint boards.

Conclusion

18. The Commission is invited to.
 - a) note the progress of the Strategic Alliance between the Commission and the IS.
 - b) restate and underline its commitment to the Alliance and articulate accordingly to a new IS Board in place following the local government elections.
 - c) agree to retain and further develop the joint priorities agreed as a basis for the Alliance.
 - d) note that I will report back on the new IS Board's review of the Alliance.
 - e) note a further review in 12 months' time.

Paul Reilly
Secretary to the Commission
23 March 2022

SUMMARY OF PROGRESS

Priority	Progress
<p>The Accounts Commission (AC) and Improvement Service (IS) will consult with each other on their annual work programmes/ Business Plans to identify opportunities for collaborative working</p>	<ul style="list-style-type: none"> • The IS submitted a response to the AC’s consultation on its work programme 2021/22 and 2022/23. • The IS will commence work shortly on the development of its Business Plan 2022/23 and will seek views from the Commission on IS priorities and deliverables. • The IS has mapped its business plan deliverables to the AC’s work programme, to ensure relevant IS and Audit Scotland teams are connected.
<p>The IS will participate in Advisory Groups established to oversee the development of the annual Local Government Overview reports on finance and challenges and performance and other relevant audit work which directly links to IS programmes, and will contribute relevant data, intelligence and case studies</p>	<ul style="list-style-type: none"> • The IS actively participates in advisory groups on the Local Government in Scotland Overview and Local Government in Scotland Financial Overview reports. Audit Scotland refers to IS reports, data analysis and case studies in these reports, where relevant and helpful. • The IS is a member of Audit Scotland’s (AS’s) Community Empowerment Advisory Group and has contributed to the Community Empowerment Covid-19 update published on 28 October. • The IS participated in an interview with AS colleagues on the joint AC/Auditor General for Scotland (AGS) performance audit on Scotland’s financial response to Covid-19. • The IS Climate Change Manager has met with the Audit Manager in AS with responsibility for developing the joint AC/AGS programme of climate change-related audit work. Both are exploring opportunities to work together, following the publication of the AC/AGS report on ‘Auditing Climate Change: An Update’. • IS and AS colleagues are meeting in November to explore opportunities to work together on child poverty. • IS and AS colleagues are liaising over their shared interest in the Scottish Government’s Fair Work agenda. • The AC will be participating in the IS research project into future models of local government service delivery. • The IS is collaborating with AS in the planning of the AC’s ‘end-of-term’ report (currently proposed to be published in Summer 2023) which will summarise the findings of the current programme of Best Value Assurance reporting on Scottish councils. The AC will draw on and highlight good practice identified by the IS in this report and will use the report to highlight key areas where IS improvement support may be of value to local authorities moving forward.

Priority	Progress
<p>The AC will signpost councils to the support available from the IS following Best Value audit work</p>	<ul style="list-style-type: none"> • In meeting councils to discuss their published Best Value Assurance Reports (BVARs), the AC actively signposts councils to relevant improvement support available from the IS. This has resulted in the IS, for example, providing support to councils on self-assessment and improvement planning, and another on member/officer roles and relationships. • One of the recommendations in South Ayrshire Council's BVAR was that 'the council should assure itself that it has the capacity and skills required to increase its pace of improvement in key aspects of Best Value. Where appropriate, external support should be sought from other councils, or the IS, to help with focusing its areas of improvement'. On the back of this recommendation, the IS has been in touch with the Council to offer support.
<p>The AC will involve the IS in its approach to developing a Best Value audit approach for Integration Joint Boards (IJBs)</p>	<ul style="list-style-type: none"> • AS colleagues have been working closely with IS colleagues as part of the development of the AC's new approach to auditing Best Value in IJBs, with a particular focus on exploring how best to embed self-evaluation at the heart of this approach. It is anticipated that the IS will be able to provide an offer of self-assessment support to IJBs pre and post their Best Value audit.
<p>The IS will provide briefings to the AC on outcome areas that it is delivering improvement support in</p>	<ul style="list-style-type: none"> • The IS delivered a presentation to the AC on the Local Government Covid-19 Data Dashboard. This was helpful in the context of the Commission considering the Statutory Performance Information (SPI) direction for the next three years and how it makes use of the work Local Government is doing to measure and improve performance, including sharing good practice. • The IS has shared a report with the AC on Collaborative Working, following research the IS undertook on shared services/ wider collaborative working in place in councils prior to the pandemic. • The AC Secretary signposts relevant IS work in his monthly update report on significant recent activity relating to Local Government. These updates are taken from the IS Newsletter and IS Leaders' Newsletter.
<p>The AC will provide periodic briefings to the IS Board on the key themes arising from its Local Government audit work, to help inform future Local Government improvement planning</p>	<ul style="list-style-type: none"> • The new AC Chair had an introductory meeting with the current IS Chair and Chief Executive on 1 February 2022. He will meet the new IS Chair following the local government election.

Priority	Progress
<p>The AC and IS will co-host two events in areas of mutual interest</p>	<ul style="list-style-type: none"> • Colleagues from both organisations worked together to deliver an online event on 1 December 2021 focused on the conclusions of the AC performance audit on ‘Improving outcomes for young people through school education’. The event was chaired by Sheila Gunn and attended by Education Conveners and Directors of Education, with facilitation support from the IS. • A second online event for elected members, on the AC’s Local Government in Scotland Overview report 2021 was planned for December 2021 but was cancelled following the resignation of the previous Commission Chair in December. • Such events are intended to be highly participative with a focus on learning, but also providing the IS and AC with an opportunity to engage with members and senior officers on the findings of the reports and to identify areas where further improvement support would be helpful.
<p>The AC and IS will consider opportunities for co-produced elected member briefings and/or elected member webinars in areas of mutual interest</p>	<ul style="list-style-type: none"> • The IS is working with all councils to co-design elected member induction materials which will be in place following next year’s local government elections. As part of this, colleagues from both organisations are considering how best we can signpost new elected members to the work of the AC and of external audit. • Colleagues from both organisations are also considering how we can work together and with councils on elected member development, to address some of the issues commonly picked up in BVARs on elected member development.

MAPPING OF AC WORK PROGRAMME 22/23 & IS BUSINESS PLAN 22/23

Theme	Accounts Commission	Improvement Service
Best Value	<ul style="list-style-type: none"> • Best Value Assurance Reports • Thematic summary of Best Value best practice examples – Autumn 2022 	<ul style="list-style-type: none"> • We will continue to offer support to councils in advance of their BVAR and where relevant, we will offer support to assist them with their BVAR recommendations. • We will continue to embed and develop dedicated knowledge sharing platforms, including the Knowledge Hub and the case study section of the IS website.
Social Care	<ul style="list-style-type: none"> • A series of themed audit and reporting work will follow on from the publication of the social care briefing published in January 2022. 	<ul style="list-style-type: none"> • We will support Local Government's response to the outcome of the National Care Service consultation. • We will work with six organisations through the National Organisations Integration Huddle to deliver a Joint Account Management Approach to Health and Social Care Chief Officers. • We will work with national improvement bodies to deliver collaborative improvement support to integration authorities. • We will provide self-assessment support to Integration Joint Boards and Health and Social Care Partnerships to support improvement.
Climate Change	<ul style="list-style-type: none"> • AS are developing a front-facing accessible data tool to improve transparency and scrutiny of progress on climate change. • Alongside these products we are developing our longer-term approach and priorities for auditing climate change to be discussed later in the year. 	<p>We will work with Solace, COSLA and others to provide practical support to councils in relation to the improvement agenda around climate change. This will include helping connect councils better with good practice, supporting elected members' knowledge and scrutiny on this issue, supporting links to shared ambitions in promoting public health and helping embed the climate change agenda across the full range of service areas and professional groups that have a role to play. We will:</p> <ul style="list-style-type: none"> • Work with all IS programmes to embed climate change where relevant, building connections between networks, priorities and projects. • Work in partnership with Solace, Scottish Cities Alliance, Sustainable Scotland Network (SSN) and COSLA to drive transformation. • Deliver webinars and briefing notes tailored for elected members. • Undertake research with SSN, COSLA and Solace to understand the needs and priorities of Scottish local authorities in delivering on their climate change commitments. • Explore funding opportunities with Scottish Government to support our priorities on climate change, with a particular focus on work

Theme	Accounts Commission	Improvement Service
		<p>with Scottish and Local Government to consider and evidence the implications of net zero interventions on tackling poverty and inequality, helping to join up significant policy agendas.</p> <ul style="list-style-type: none"> • Engage with the Scottish Cities Alliance and Edinburgh Climate Change Institute to explore how we can support their Carbon Scenario Tool Pathfinder Project, particularly in relation to baselining data for area-wide emissions and developing a climate data repository for Scotland. <p>Our work in planning will also make a significant contribution to our climate change work. We will continue to deliver a Planning Skills programme that leads the behavioural change required for those working within the planning system to deliver: The Planning (Scotland) Act 2019, National Planning Framework 4, Scottish Planning Policy, and the Digital Planning Strategy. Key priorities will be the delivery of the Place Principle and the contribution of planning to climate change, public health and Covid-19 recovery priorities.</p>
<p>Early Learning and Childcare</p>	<ul style="list-style-type: none"> • Next performance audit in the series will look at whether the expansion in funded ELC was delivered as planned and how much it cost. Report in Q4 2022/23. 	<p>We will provide a range of business analysis, communications and workforce planning support to councils as they continue to evolve and deliver their Early Learning and Childcare services. Support will be tailored to individual local authorities' needs, whilst reporting on progress to Scottish Government and COSLA. High level deliverables include:</p> <ul style="list-style-type: none"> • Undertaking periodic data collections to evidence the progress being made by local authorities in delivering the expansion of funded ELC to 1140 hours. • Supporting local authorities in developing and improving recruitment strategies while strengthening capacity for effective long-term workforce planning by sharing learning and good practice. • Supporting the standardising of processes for calculation of sustainable rates in ELC, including through the organisation and facilitation of a series of learning events. • Supporting local authorities in addressing the thematic challenge of 2-year-old uptake.

Theme	Accounts Commission	Improvement Service
Child poverty	<ul style="list-style-type: none"> • The Child Poverty blog due to be published in September 2022 will highlight the Commission interest in this topic, connected to their focus on inequalities. • In 2023/24, we plan to report on progress made in achieving interim targets within the Child Poverty (Scotland) Act 2017. This will include looking at any additional plans and action the Scottish Government is putting in place with local government and their partners to mitigate the new risks in this area created by Covid-19. 	<p>We will work with local and national partners to support the development and delivery of effective local child poverty action reports and associated activity. We will continue to support networks to identify and share good practice in relation to tackling child poverty. We will:</p> <ul style="list-style-type: none"> • Review all Local Child Poverty Action Reports (LCPAR) and provide feedback to lead officers, focused on improvement. • Further roll out the self-evaluation process. • Co-ordinate and host the Child Poverty Peer Support Network. • Share practice from LCPARs across Scotland and provide improvement support in areas where there are gaps. • Support leads to ensure that tackling Child Poverty is at the heart of recovery from Covid-19. • Deliver briefing notes and webinars for elected members. • Chair the National Partners Co-ordination Group. • Work with National Partners to develop a joint work plan • Work with National Partners to develop a joint work plan and identify how to support local areas on key thematic issues. <p>We will also provide support for the implementation of the UNCRC across Local Government,</p>
Elected member development	<ul style="list-style-type: none"> • All AC reports, performance audits, briefings and blogs are targeted at elected members and council officials. 	<p>We will facilitate the development of elected members to provide effective Political Leadership for Scottish Local Government. We will do this by:</p> <ul style="list-style-type: none"> • supporting councils to put in place effective elected member development support • providing national development resources, such as briefings, guidance and workshops • providing bespoke support on roles, responsibilities and working relationships to individual councils • facilitating and influencing partner organisations to provide support and develop resources for elected members • signposting councils to other sources of support from partner organisations

<p>Covid-19 Recovery</p>	<ul style="list-style-type: none"> • The Local Government Overview reports include a focus on Covid-19 recovery. • There will be two significant outputs on the Covid-19 pandemic: a briefing on <i>Supporting businesses through the Covid-19 pandemic and planning Scotland's economic recovery</i> (17 March 2022) and a performance audit <i>Reviewing Scotland's financial response to the Covid-19 pandemic</i> (9 June 2022). 	<ul style="list-style-type: none"> • We will support the work of the national Covid Recovery Strategy Programme across each of the workstreams identified as part of the programme – evidence, change and assure.
---------------------------------	--	--

MEETING: 7 APRIL 2022

REPORT BY: SECRETARY TO THE COMMISSION

SECRETARY'S UPDATE REPORT

Purpose

1. The purpose of this report is to provide an update to the Commission on significant recent activity relating to local government.
2. The Commission receives regular information to complement this report, which is available through the [members' SharePoint site](#). This includes:
 - The Controller of Audit report to the Commission, updating the Commission on his activity.
 - An update on issues relating to local government which is considered by the Commission's Financial Audit and Assurance Committee.
 - A weekly news coverage briefing provided to the Commission by Audit Scotland's Communication Team.

Commission business

Publications and activities

3. Audit Scotland collects media coverage on all reports published by the Accounts Commission. [Appendix 1](#) provides download and view statistics for the Commission's published reports and blogs over the last 12 months, as of 28 February 2022. [Appendix 2](#) provides additional information on the overall engagement that reports, and other business received on social media, as of 25 March 2022.
4. On 10 March the Commission held and livestreamed its second hybrid meeting on YouTube, where, amongst other items, it discussed a statutory report on Orkney and Shetland Valuation Joint Board. The livestream was viewed 72 times, and the recorded version has been viewed 24 times. This compares to 71, 27 and 6 views of the Commission's livestreamed meetings in the previous three months. Commission member Andrew Burns posted a [vlog](#) of the February meeting which has been viewed 37 times.
5. March saw four times the number of impressions (the number of browsers exposed to the Commission's social media content) compared to February, with 33,100 impressions compared to 8,000 in February. Clicks, retweets, likes and video views were around double that when compared to February too. Much of this activity is derived from the promotion of the joint briefing [Scotland's economy: Supporting businesses through the Covid-19 pandemic](#) (paragraph 9), but also from the other publications in March which are covered below.
6. On 3 March the Commission [published](#) its findings on its progress report on Moray Council's Best Value Assurance Report. The report noted that the council has made progress in some important areas to address financial stability and had plans in place to tackle poor performing services. However, challenges remain as it seeks to deliver

strategic change, and that progress continues to be hindered by some poor working relationships among some councillors. The report, video and animation was promoted on [Twitter](#) and Facebook, with engagement rates of 7.9% and 35.2% respectively. The Interim Deputy Chair was interviewed by the BBC and the Press and Journal. STV covered the report in their main bulletin and the BBC reported the story online and shared on their social media platforms. The media coverage can be found on the [members' SharePoint site](#).

7. On 8 March the Commission and Auditor General [published](#) a joint update on Scotland's drug and alcohol services. The report found that a clear plan is needed to improve people's lives and increase transparency around spending. The report was covered widely in national and local print and broadcast media. A number of political parties and drug and alcohol charities responded to the report and many stakeholders engaged with it on social media. The Auditor General's [vlog](#) was viewed over 1,000 times on Twitter. Media coverage can be found on the [members' SharePoint site](#).
8. On 10 March the Commission [published](#) its financial overview of local government in Scotland 2020/21. The report stated that whilst Scotland's councils have increased reserves over the last year, they must address the impacts of an overall reduction in funding and the ongoing challenges caused by Covid-19. The Chair's [audiogram](#) summarising the key messages was viewed 2,317 times in the first 24 hours. The report was covered widely in national and local print and broadcast media. All the main political parties and COSLA responded to the report. Media coverage can be found on the [members' SharePoint site](#). On 21 March, the Chair of the Commission re-promoted the report through his [blog](#). In this he highlighted the significant financial challenges and impacts of the pandemic.
9. On 17 March the Commission and Auditor General [published](#) a briefing on the Scottish Government's business support provisions throughout the pandemic. It notes that £4.4bn in grants and rates relief was administered in 2020-21, with a further £375m announced in December 2021. The report finds there was insufficient emphasis placed on gathering data on how money was allocated and distributed. The briefing was one of the top 15 topics discussed on [Twitter](#) on the day. The Scottish Government issued a [news release](#) in response to the report and all political parties and COSLA responded to the report. Media coverage can be found on the [members' SharePoint site](#).
10. On 18 March the Commission distributed its regular [newsletter](#) to 221 community groups, third sector organisations and those who have signed up to receive updates on local government issues across Scotland. The newsletter can also be found on the Commission's website [homepage](#).
11. On 21 March the Commission [confirmed](#) the six private companies that will deliver a selection of audits on behalf of the Accounts Commission for local government, from October 2022. These companies will also deliver a selection of audits on behalf of the Auditor General for Scotland, for health, central government and further education bodies. The six companies are Azets, Deloitte, Ernst & Young, Grant Thornton, KPMG and Mazars.
12. On 22 March the Commission [published](#) its findings on a statutory report on the 2020/21 audit of Orkney and Shetland Valuation Joint Board which highlights significant concerns regarding governance and transparency. The Board will consider the findings at a future meeting.
13. On 31 March the Commission and Audit Scotland submitted a joint response to the Scottish Government's consultation on the review of the Public Sector Equality Duty in Scotland. This can be found on the [members SharePoint site](#).

Forthcoming publications and activities

14. Between 24 March and 5 May 2022, the Commission will not release any publications in respect of the moratorium for local government elections.

Other Commission business

15. On 3 March, the Commission met with representatives of Moray Council to discuss the [progress report](#) on Best Value Assurance Report on the council which was published the same day.

The Commission was represented by:

- Tim McKay (Interim Deputy Chair)
- Sharon O'Connor
- Geraldine Wooley
- Paul Reilly, Secretary
- Brian Howarth, Audit Director, Audit Scotland (appointed auditor).

The Council was represented by:

- Members:
 - Graham Leadbitter (Council Leader and SNP Joint Group Leader)
 - Shona Morrison, (Convener and SNP Joint Group Leader)
 - George Alexander (Councillors Open Group Leader)
 - Frank Brown (Conservative and Unionist Party Group member)
 - Donald Gatt (Conservative and Unionist Party Group member)
 - Derek Ross (Moray Alliance Group Joint Group Leader)
 - Amy Taylor (Independent).
- Officers:
 - Roddy Burns (Chief Executive)
 - Rhona Gunn (Depute Chief Executive Economy, Environment & Finance)
 - Denise Whitworth (Depute Chief Executive Education, Communities & Organisational Development)
 - Simon Bokor-Ingram (Chief Officer Health and Social Care Moray)
 - Alasdair McEachan (Head of Governance, Strategy and Performance/Monitoring Officer).

16. On 15 March, Moray Council considered the [progress report](#) on the Best Value Assurance Report published by the Commission on 3 March. The Council agreed with the Commission's findings and agreed a Strategic Action Plan in response, to be taken forward to the Moray Council following the local government elections in May 2022.
17. On 29 and 30 March the Commission held its Spring Strategy Seminar, where it discussed its plans for 2022/23 and beyond.
18. Members are asked to review the members' communications schedule on the [members' SharePoint site](#). This includes a list of planned publications and activities for the year, along with indicative roles for members in promotion and engagement activities. This document is live and is updated monthly, following discussion with Audit Scotland's communications team. Members are asked to share their thoughts on the schedule, as well as any suggestions for further communications directly to the [schedule](#).

Auditor General

19. On 15 March the Auditor General [published](#) an update on the progress of the Scottish Government's R100 superfast broadband rollout programme. It notes average

broadband speeds have improved significantly since 2018, despite a slow start. It notes 107,000 premises are still to be connected through three R100 contracts, mostly in rural and hard to reach places.

20. On 23 March the Auditor General [published](#) a report setting out the major problems obstructing the delivery of two new ferries intended to provide lifeline services to islands off the west coast. It notes the shipyard has now been under Scottish Government control for two years but significant operational failures remain unresolved, delivery of the two vessels is now four years late with no set delivery date.

Audit Scotland

21. On 1 March Audit Scotland [published](#) a report on addressing climate change in Scotland, a summary of key recommendations and areas of improvement for public bodies that need to be made if Scotland is to reach its goal of a just transition to net zero.
22. From 7 March Audit Scotland saw a return to Phase 4 of the programme for accessing workplaces where staff can book desks in the offices and move into hybrid working with social distancing requirements reducing to 1 metre. In addition Audit Scotland is supporting the [Distance Aware Scheme](#) for colleagues who prefer others to take extra care around them and have created Distance Aware Zones in each office location where some desks remain distanced by 2metres.
23. On 7 March the Association of Chartered Certified Accountants (ACCA) [announced](#) that Audit Scotland's Associate Director, Elaine Boyd was the new Chair of ACCA Scotland's Members' Committee.
24. On 16 March Audit Scotland received a [letter](#) from the Scottish Government's Head of Social Housing Services Team asking for any views on the proposed revisions to the Scottish Social Housing Charter. In consultation with the Commission Support Team it was agreed that the suggested changes outlined in the [revised social housing charter](#) document had no substantive changes that the Commission and Auditor General would wish to respond to formally.
25. During March Audit Scotland set up a new working group and information and resource hub for colleagues as the approach to hybrid working for its employees is developed.
26. On 29 March the first 2022 edition of the staff newsletter Abacus was published. A copy can be found on the [members' SharePoint site](#).

Issues affecting Scottish local government

Scottish Government

27. On 2 March the Scottish and Welsh Governments [published](#) a joint statement criticising UK Government proposals to replace the Human Rights Act with a Bill of Rights, stating that proposals were 'unwelcome and unnecessary'.
28. On 7 March the Scottish Government's race employment team contacted public bodies with an update on the development of the Scottish Government's ethnicity pay gap strategy. The update includes a revised scope, identifies four key themes arising from stakeholder engagement and explains where it sits within the wider Fair Work agenda. A copy of the email can be found on the [members SharePoint site](#).
29. On 17 March the Scottish Government [announced](#) that Craig Naylor will be succeeding Gill Imery as Her Majesty's Chief Inspector of Constabulary in Scotland. He will take up his position from 21 March 2022.

30. On 23 March the Scottish Government [published](#) its 2021 annual report for the National Islands Plan. Progress is measured against 100 commitments and 13 strategic objectives. These include addressing population decline, promoting sustainable economic development, improving transport services, housing, digital connectivity and health and social care, and reducing levels of fuel poverty. Fulfilled commitments include understanding the impact of Brexit on the islands, producing a national development plan for crofting, ensuring Housing to 2040 reflects the needs of island communities, and developing a remote rural, remote, small town and island Minimum Income Standard uplift.
31. On 24 March the Scottish Government [published](#) its second Tackling Child Poverty Delivery plan outlining action for 2022-2026. The plan recognises actions from across all sectors and with a wide range of partners to facilitate change. The plan focuses on giving children the best start to life, supporting them to learn and grow and supporting young people after leaving school.
32. During March the Scottish Government's Director for International Trade and Investment and Deputy Director for Trade Policy wrote to all chief executives of public bodies in Scotland regarding relationships with Russian businesses and guidance on aligning with the Scottish Government position on sanctions. The letters can be found on the [members' SharePoint site](#).
33. On 30 March the Scottish Government [published an implementation plan](#) setting out actions and commitments to Keep the Promise for care experienced young people and their families. The aims to significantly reduce the number of children in care, with at least £500m over the parliamentary term invested to help families stay together.
34. On 30 March the Scottish Government held its 24th National Economic Forum, attended by senior figures from business, the third sector, trade unions, government and the wider public sector meet to debate how to grow Scotland's economy. In a speech to the National Economic Forum, Nicola Sturgeon [emphasised](#) the impact of climate change, the pandemic and conflict in Ukraine on the economy.

Local government general

35. On 2 March the Scottish Parliament [approved](#) the local government funding settlement for 2022-23.
36. On 2 March the Scottish Government [published](#) guidance for public bodies on the collection of equality data and notes on recommended questions to ask when collecting information on age, disability, ethnic group, gender, religion or belief and sexual orientation.
37. On 22 March the Scottish Government [published](#) its annual report on local government finance for 2020/21, providing an overview of financial activity of Scottish local authorities based on authorities' audited accounts.

Health and social care

38. On 1 March the Scottish Government [published](#) its annual update of the long-term monitoring of health inequalities indicators. The report investigates both absolute and relative inequalities and identified that except for the healthy birthweight indicator, significant health inequalities persist for each indicator in the report.
39. On 8 March the Scottish Government [published](#) its consultation paper on the health and social care strategy for older people. It seeks the views of those involved in the provision and receipt of care services, closing on 19 June. As the consultation is aimed at service users and clinicians, it is proposed that the Commission does not respond.

Neither Audit Scotland nor the Auditor General are responding.

40. On 11 March the Scottish Government [published](#) its first national workforce strategy for health and social care. The strategy was co-produced with COSLA and identifies five areas which will support the creation of a sustainable, skilled workforce.
41. On 15 March the Scottish Government [published](#) its quarterly report on the number of suspected drug deaths for October to December 2021 indicated a fall of 8% on the previous year. The report uses quarterly management information from Police Scotland, rather than the annual National Records of Scotland (NRS) National statistics.

Education

42. On 2 March Education Scotland [invited](#) schools and early learning and childcare settings to take part in upcoming 'recovery visits' with the aim of learning from education establishments about what has worked well and the challenges they have faced due to the pandemic.
43. On 9 March, the Scottish Government [announced](#) three new national organisations will be created to drive improvement in education. The three new education bodies will be underpinned by new values and governance and are designed to improve outcomes and build trust in Scotland's education system.
 - A new public body will replace the Scottish Qualifications Authority (SQA) and be responsible for developing and awarding qualifications.
 - A new national agency for education will replace Education Scotland (ES).
 - A new and independent inspectorate body will be created.
44. On 23 March the Scottish Government [published](#) a consultation on proposed updates to home education guidance, setting out the roles and responsibilities of local authorities and parents. The consultation ends 13 July 2022. Due to the operational nature of the consultation, it is proposed that the Commission does not respond. Neither Audit Scotland or the Auditor General are responding.
45. On 29 March the Scottish Government [published](#) details of Pupil Equity Funding (PEF) totalling £520 million to help headteachers put in place more support for children and young people. A breakdown of PEF allocations by local authorities is available via this [link](#).

Social Security

46. On 16 March the Scottish Government [published](#) details of improvements to disability benefits, with the Adult Disability Payment replacing the UK Government's Personal Independence Payment (PIP) in Scotland later in March. Changes include where disabled people with the most serious lifelong health conditions and whose condition is highly likely to change will be eligible for an 'indefinite award' and no longer be subject to fixed term reviews.
47. On 16 March the Scottish Government [published](#) details of six social security benefits that will be increased by 6% from 1 April. These benefits will support low-income households and carers in light of the cost-of-living pressures. Benefits including the Job Start Payment, Young Carer's Grant, Funeral Support, Best Start Grant and Carer's Allowance Supplement were due to be uprated by 3.1% but, subject to parliamentary approval, will receive a 6% uprate in Scotland. The move comes as a coalition of charities including the Child Poverty Action Group [called for a minimum 7% uplift in benefits](#) this April to match inflation.

48. On 21 March the Scottish Government [published](#) details about the new adult disability payment pilots that begin in Dundee City, Perth and Kinross and the Western Isles from 21 March 2022.
49. On 30 March The Scottish Government published its [Scottish Attainment Challenge framework for recovery and accelerating progress](#). This is aimed at supporting schools, local authorities and others across the education system to support educational recovery and increase progress in improving outcomes for children and young people impacted by poverty. An [island communities screening impact assessment](#), [fairer Scotland duty assessment](#), [Equality Impact Assessment](#), [child rights and wellbeing screening sheet](#) and a [Child Rights and Wellbeing Impact Assessment](#) were also published.

Communities

50. On 21 March the Scottish Government [published](#) details of the almost £6 billion that has been invested to support low income households across Scotland in the last three years. The Scottish Government state that more than a third of this has directly benefitted children.
51. On 21 March the Scottish Government [published](#) details of a £4 million package to help improve infrastructure on Scotland's islands. The capital investment will be allocated to the six island local authorities to fund the improvement, creation or safeguarding of locally developed infrastructure projects.
52. On 24 March the Scottish Land Commission [published](#) new guidance on community wealth building and land as part of Land Reuse Month. The guidance aims to set out practical actions public bodies can take to use and manage land productively and in the public interest.
53. On 25 March the Scottish Government [published](#) its [water safety action plan](#) that was drawn to renew efforts to prevent drownings, following a number of incidents during the summer of 2021. Actions include strengthening the role of Water Safety Scotland (WSS) and working in partnership with key stakeholder organisations to increase awareness raising, develop skills training and ensure responses to incidents are effective. This includes lesson plans on water safety for school pupils and continued development of the National Learn to Swim Framework delivered with local authorities.
54. On 29 March the Scottish Government [published](#) its third fire and rescue framework for Scotland 2022, setting out Scottish Ministers' expectations of the Scottish Fire and Rescue Service. It covers seven strategic priorities; prevention and protection; response; innovation and modernisation; climate change; effective governance and performance; people; and partnership working.

Economy and business

55. On 1 March the Scottish Government [published](#) its National Strategy for Economic Transformation setting out how the government, public bodies, third sector and businesses can use current economic powers to deliver transformation in the coming decade.
56. On 3 March the Scottish Government [published](#) information about a new short life working group to consider the economic and social opportunities for Gaelic. Representatives from a range of sectors with experience of working and living in Gaelic communities will be included in the group.
57. On 16 March the Scottish Government [published](#) its first quarterly estimate of Scotland's Gross Domestic Product (GDP) for 2021 Quarter 4 (October to December).

Scotland's GDP grew by 1.3% in real terms during the fourth quarter compared to 1% for the UK.

58. On 18 March the Scottish Government [published](#) details of additional funding to support rural tourism. This includes plans to create more than 200 seasonal posts for countryside rangers and operations staff, to support sustainable and responsible rural tourism. Funding includes £1.5 million for the NatureScot Better Places Fund Round 3 which local authorities, community and third sector organisations can apply to.
59. On 22 March the Scottish Government published its labour market monthly briefing for [March 2022](#). This summarises employment and economic inactivity from the Labour Force Survey and other labour market statistics from a range of official sources. Some of the information is broken down into Scottish local authority areas. On the 15 March SPICe [published](#) overviews of the labour market for Scotland.

Covid-19 measures

60. Throughout March, as the Scottish Government reviewed the latest evidence regarding Covid-19 and restrictions, a number of changes were announced and [guidance](#) for local authorities and their partners was updated on supporting gypsy/traveller communities. Announcements included:
 - From 7 March [spring booster jobs](#) will be offered to those aged 75 years and over, residents in care homes for older adults, and individuals aged 12 years and over who are immunosuppressed.
 - From 18 March [international travel restrictions end](#) with fully vaccinated travellers entering the UK no longer being required to complete Passenger Locator Forms and non-vaccinated travellers ceasing to be required to take pre-departure and day two PCR tests.
 - From 31 March patients with [Covid-19 symptoms](#) are being asked to contact their GP instead of NHS 24 and until the end of April [people with symptoms should still isolate and get a PCR test](#).
 - [Legal requirements for businesses and service providers](#) to collect customer details for contact tracing and have regard to Covid guidance will end on 21 March, but legal requirements to wear face coverings on public transport and most indoor public settings will continue until at least early April.
 - As part of the Test and Protect Transition Plan, [people without Covid-19 symptoms](#) will no longer be asked to take regular lateral flow tests from 18 April.
 - From 4 April, the legal face covering requirement would be removed for those attending places of worship, marriage ceremonies, civil partnerships, funeral services, and commemorative events. From 18 April, the legal requirement would become guidance for shops, certain indoor settings, and public transport

Climate emergency

61. On 12 March the Scottish Government [published](#) details of three Scottish Government energy efficiency and heat programmes that will receive additional support, in response to the cost of living crisis. This will increase the capacity of the Home Energy Scotland (HES) advice service by 20%, widen the eligibility criteria of the Warmer Homes Scotland fuel poverty programme and increase the funding available to individual households, through local authority-led Area Based schemes.
62. On 15 March the Climate Change Committee (CCC) [published](#) a report for the Scottish Parliament on whether Scotland is 'climate ready'. The report highlights five areas

where action to adapt and build resilience to climate change is stalling, especially in relation to the adaptation and responsiveness to extreme weather, including flooding. Recommendations include improved monitoring, changes to Flood Risk Management Plans and requiring relevant local authorities to have a Shoreline Management Plan.

Scottish Parliament

63. In March, the Scottish Parliament Information Centre (SPICe) published:
- A [briefing](#) on earnings in Scotland 2021, including a [breakdown](#) by local authority
 - A [briefing](#) on changes to economic, social and cultural rights in the proposed Human Rights Bill
 - A [post](#) on Scotland's latest Covid-19 strategy
 - A [post](#) on population growth and decline on Scotland's islands – 2001 to 2020
 - Two [guest blogs](#) on the National Performance Framework, one summarising a new report on the framework and one on the [psychological factors](#) that can influence change.
 - A [blog](#) on the Scottish Government's 10-year strategy for economic transformation
 - A [blog](#) with a renewable energy map of Scotland
 - A [blog](#) on the UK Spring Statement

Parliamentary committee news

Public Audit Committee

64. During March the Committee took evidence on and [considered](#): the Social Care Briefing, Planning for Skills, the Section 22 Report¹: The 2020/21 audit of the Scottish Environment Protection Agency, the Section 23 Report: NHS in Scotland 2021, the Section 22 Report: The 2020/21 audit of Scottish Canals and the work programme.
65. On 3 March the Auditor General, Audit Scotland Interim Director of Performance Audit and Best Value, Antony Clark and Audit Manager Shelagh Stewart gave [evidence](#) on the joint [Social Care Briefing](#).
66. On 10 March the Auditor General, Audit Director Gordon Smail, Senior Manager Rebecca Seidel and Audit Manager Douglas Black gave [evidence](#) on the [Planning for Skills](#) report.
67. On 17 March the Auditor General, Audit Scotland Senior Manager Leigh Johnston, Audit Managers Derek Hoy and Eva Thomas-Tudo gave [evidence](#) on the [NHS overview 2021](#). This was followed by the Auditor General, Audit Scotland Senior Manager Morag Campsie and Joanne Brown, Partner at Grant Thornton UK LLP on the Section 22 report: [The 2020/21 audit of the Scottish Environment Protection Agency](#).
68. On 24 March the Auditor General, Audit Scotland Senior Manager Graeme Greenhill and Joanne Brown, Partner at Grant Thornton UK LLP gave [evidence](#) on the Section

¹ Section 22 reports are prepared by the Auditor General if any specific concerns or issues have been raised in the annual audit of one of the public bodies for which he is responsible. This is done under Section 22(3) of the Public Finance and Accountability (Scotland) Act 2000.

22 report: [the 2020/21 audit of Scottish Canals](#).

69. On 30 March the Committee wrote to Finance Cabinet Secretary [Kate Forbes](#) and UK Secretary of State for Housing, Communities and Local Government [Michael Gove](#) about future audit and accountability arrangements for replacement EU funds. These replacement funds include the Shared Prosperity Fund, Community Renewal Fund and the Levelling-up Fund. The Committee noted concerns raised by the Auditor General for Scotland around a lack of clarity for responsibilities placed on scrutiny of these replacement funds. The letters note the role of the Accounts Commission in the audit of local government and its separate accountability to the public. The Public Audit Committee is seeking clarity on how it would be able to fulfil its scrutiny role in relation to this funding, given the Accounts Commission is, unlike the Auditor General for Scotland, not required to report to the Scottish Parliament.

Local Government, Housing and Planning Committee

70. During March the Committee took evidence on and [considered](#): the Scottish Social Housing Charter, the Building Safety Bill (UK Parliament legislation), the Coronavirus (Recovery and Reform) (Scotland) Bill, National Planning Framework 4, Non-Domestic Rates (Coronavirus) (Scotland) Bill, the Annual Report of the Scottish Housing Regulator and subordinate legislation.
71. On 31 March, Marie McNair MSP replaced Graeme Dey MSP as a member of the Committee

Finance and Public Administration Committee

72. During March the Committee took evidence on and [considered](#): its work programme, the Resource Spending Review Framework, the Scottish Government's Framework for Tax 2021, Environmental fiscal measures for Scotland, subordinate legislation and its work programme.
73. On 28 February the Committee [launched an inquiry](#) into the role of the National Performance Framework in shaping actions in local and national government. It asks specific questions of organisations that help to deliver National Outcomes, looking at the current structures, processes and cultures that are in place and whether they can or should be improved. This consultation closes on Thursday 14 April. Considering how appropriate and effective the National Outcomes are, is not part of this inquiry. These will be reviewed separately by the Scottish Government later in 2022-23 and it is proposed that the Commission responds to that later consultation rather than the current consultation. Audit Scotland and the Auditor General also plan to feed into the later consultation.

Health, Social Care and Sport Committee

74. During March the Committee took evidence on and [considered](#): tackling alcohol harms, alternative pathways to primary care and subordinate legislation.
75. On 31 March, on behalf of the Auditor General and the Accounts Commission, Audit Scotland submitted a response to the Committee's inquiry into health inequalities. A copy of the response can be found on the [members' SharePoint site](#).

Covid-19 Recovery Committee

76. During March the Committee took evidence on and [considered](#): the Excess Deaths Inquiry, the Coronavirus (Recovery and Reform) (Scotland) Bill and subordinate legislation.

Social Justice and Social Security Committee

77. During March, the Committee took evidence on and [considered](#): Domestic violence and violence against women and girls, the Department of Work and Pension's role in devolved Social Security, the Medium-Term Financial Strategy and Framework for Resource Spending Review, subordinate legislation and the work programme.

Constitution, Europe, External Affairs and Culture Committee

78. On 17 March, Carol Calder, Senior Manager, Performance Audit and Best Value, Audit Scotland gave [evidence](#) to the Committee on the Scottish Government's Resource Spending Review and its provision for recreational, sporting and cultural activities. This was following the previous Interim Chair's [submission](#) to the Committee's call for views on funding for culture in Scotland (in September 2021). The Commission's Local Government Overview 2021 was referenced throughout the session, specifically in relation to community empowerment and budget reductions for non-statutory services such as cultural services.

Local government news

79. On 15 March, GMB Scotland [published](#) details that members had voted to support strike action against Glasgow City Council following equal pay claims because the council have failed to resolve outstanding equal pay settlements and replace a "discriminatory" pay and grading system.
80. During March, all 32 local authorities in Scotland set their council tax rates for 2022/23, as [reported by the BBC](#). The table below outlines the rates for all councils. The increase in rates varied between 0% (Shetland Island Council) and 4% (Falkirk Council), with 22 local authorities opting for a 3% increase.

Scottish Council Tax 2022/23

Council	Rate increase	Band D rate
Aberdeen	3%	£1,418.62
Aberdeenshire	3%	£1,338.83
Angus	2.95%	£1,242.14
Argyll and Bute	3%	£1,408.76
Scottish Borders	3%	£1,291.53
Clackmannanshire	3%	£1,343.77
Dumfries and Galloway	3%	£1,259.30
Dundee	2.90%	£1,419.03
East Ayrshire	3%	£1,416.61
East Dunbartonshire	3%	£1,348.25
East Lothian	3%	£1,341.69
East Renfrewshire	3.50%	£1,335.11
City of Edinburgh	3%	£1,378.75
Falkirk	4%	£1,274.60
Fife	3%	£1,319.22
Glasgow	3%	£1,428

Council	Rate increase	Band D rate
Highland	3%	£1,372.30
Inverclyde	1.95%	£1,357.81
Midlothian	2.38%	£1,442.60
Moray	3%	£1,362.56
North Ayrshire	3%	£1,382.97
North Lanarkshire	3%	£1,257.88
Orkney	3%	£1,244.73
Perth and Kinross	2.50%	£1,341
Renfrewshire	3%	£1,354.88
Shetland	3%	£1,206.33
South Ayrshire	2.90%	£1383.96
South Lanarkshire	2.50%	£1,233
Stirling	3%	£1,384.58
West Dunbartonshire	3%	£1,332.36
Western Isles	3%	£1,229.29
West Lothian	3%	£1,314.71

Source: BBC, via Scotland's local authorities

Note: Band D is included for comparison purposes. The Band D figures do not include water and sewerage charges, so the final household bill will be bigger.

Improvement Service

81. On 4 March the Improvement Service [published](#) its annual national benchmarking overview report for 2020-21. This summarises the impact of the first year of the Covid-19 pandemic on local government services and communities across Scotland. The report reveals growing levels of poverty, financial hardship and inequalities.
82. On 10 March the IS [published](#) a research paper on local authority-funded money and welfare rights advice services during 2020/21. The report found the provision of money and welfare rights advice services had become more complex since the start of the pandemic but that outcomes continued to be achieved for service users.

SOLACE

83. On 23 March SOLACE UK [published](#) a statement commenting on the UK Chancellor's spring statement. It raised concerns that local authorities will struggle to meet an increase in demand from the households unable to meet their financial needs as household budgets are squeezed. It argues for the sector to be funded more sustainably.

Standards Commission

84. On 4 March the Standards Commission issued a new advice note for members, on [distinguishing between strategic and operational matters](#). The Standards Commission also updated the [guidance](#) on the model code of conduct (at paragraph 54 of the guidance), with regard to how members can raise any concerns they may have about a public body's Chief Executive.

Scottish Public Sector Ombudsman (SPSO)

85. On 23 March the SPSO published their [March](#) newsletter, outlining statistics on complaints and the publication of two detailed investigation reports concerning the water provider Water Plus. It also includes statistics on Scottish Welfare Fund reviews, case studies, reference to the new complaints KPI guidance and information about a future webinar.
86. During March the SPSO [wrote](#) to all chief executives of public sector organisations advising of their refreshed Key Performance Indicators (KPI) [Guidance](#) on complaints handling which applies to local authorities, registered social landlords, colleges, universities, Scottish Government, Scottish Parliament and associated public authorities (including the Commission and Audit Scotland). It advises that the revised KPIs should be collected from 1 April 2022.

Care Inspectorate

87. On 21 March the Care Inspectorate [published](#) its new quality framework for day-care of children, childminding and school-aged childcare. The framework focuses on children's wellbeing and sets out the elements that will help the Care Inspectorate answer key questions about the impact of care and learning on outcomes for children.

Scottish public policy news

88. On 2 March the Mental Health Foundation [published](#) a report which estimates the cost of mental health problems to the Scottish economy is at least £8.8bn per annum. Most of the cost is due to lost productivity and costs incurred by unpaid informal carers.
89. On 9 March the Institute for Public Policy Research (IPPR) Scotland [published](#) a report on financial security for families. It highlights the high costs of childcare and transport, particularly for lone parent households, as a key barrier to families reaching a living income. The report sets out the current policy approaches for each area and considers the potential for a universal basic services approach, identifying a number of proposals and recommendations for the Scottish Government to consider.
90. On 10 March the Scottish Leaders Forum [published](#) a report on improving accountability and incentives to deliver the National Performance Framework (NPF) outcomes and live the values. The report considers accountability at various levels and for different organisations, including local government. It considers what would incentivise leaders in relevant organisations to use the NPF effectively. On 11 March, a SPICe [quest blog](#) was published summarising the report. This was followed up by a second [quest blog](#) from Dr Ruby Roberts, Research Fellow of Industrial Psychology at Aberdeen Business School, who considers the psychological factors that can influence change.
91. On 10 March the Royal Bank of Scotland [published](#) findings that show demand for new staff accelerated last month with a near record-rise in hiring activity in Scotland. The rate of increase in permanent placements increased slightly in January and remained the third highest on record. Scotland has continued to see a quicker rise in placements than the UK-wide average.
92. On 11 March Glasgow Disability Alliance [published](#) a report about the experiences of disabled women during the Covid pandemic. The report emphasises the importance of taking an intersectional approach when looking at the impacts of the pandemic and recommends more consultation with disabled women to ensure solutions are joined-up.
93. On 14 March Shelter Scotland [published](#) research that indicates there are up to 7,500 homeless children throughout Scotland. Shelter Scotland accuse councils of failing to

deliver social homes and call for the issue to be tackled as a matter of urgency. Shelter's analysis indicates a minimum of 7,000 social homes are needed over the next five years in Edinburgh, 3,675 in Glasgow, 853 in Aberdeen and 655 in Dundee

94. On 15 March the Fraser of Allander Institute (FAI) [published](#) an article considering child poverty ahead of the Scottish Government's publication of its second tackling child poverty delivery plan on 31 March.
95. On 16 March Our Scottish Future [published](#) findings from a poll indicating the cost of living and inflation are twice as important to households than any other economic issue in Scotland. Around 63% of respondents ranked the matter as a top three concern, against 30% for pensions, which was the next highest. Meanwhile, 48% of respondents agreed there is a need for greater cooperation between the four nations as part of Covid recovery.
96. On 23 March the FAI [published](#) its response to the UK Chancellor's Spring Statement. The main policy measures announced were a 5p fuel duty cut and a rise in the national insurance contributions thresholds. There was no targeted support to the lowest income thresholds or significant rise in benefits.
97. On 25 March the health and care news channel healthandcare.scot [reported](#) that the Scottish Care Chief Executive, Donald Macaskill, wrote to the Lord Advocate calling for the Crown Office-led inquiry into Covid care home deaths to be suspended for up to 22 months. He claimed the process is affecting the morale of care home staff, given the uncertainty around potential prosecutions.
98. On 28 March Our Scottish Future [published](#) a report on Scotland's low carbon transport network saying more should be done to encourage the use of buses and other low carbon alternatives to private car travel. Recommendations include: advocating for a maximum £2 bus fare; creating a single fare card; reducing road building in favour of supporting bus transport (to support the cost of living crisis); and progress towards net zero.
99. During March IPPR Scotland [published](#) research on the effectiveness and future of the Scottish Child Payment and Scottish Welfare Fund. It found the Scottish Child Payment will lift upwards of 30,000 children out of poverty by the end of 2022, but this falls short of the Scottish Government's interim targets for child poverty. It warns the removal of a £20 uplift in Universal Credit has muted the impact of policies in this area and sets out a number of recommendations.

UK public policy news

100. On 1 March the Resolution Foundation [published](#) a report into the impacts of the net zero transition on households and consumption. The report assesses how families will face up to the challenges of reducing household consumption in relation to home heating, surface transport, diets and flying. The report evaluates where government policies are lacking and how policy makers should assess the challenges as the net zero policy moves forward.
101. On 10 March the Competition and Markets Authority (CMA) [published](#) its final report on a market study on children's social care provision. The report found there is a shortage of appropriate places in children's homes and with foster carers and this means high prices are often being paid by local authorities. The CMA recommends the UK, Scottish and Welsh Governments create or develop national and regional bodies to support local authorities with their responsibilities.
102. On 15 March the Office for National Statistics (ONS) [published](#) figures on the labour market for the UK in March 2022. The figures show that Scotland experienced a 0.6%

increase in employment between November 2021 and January 2022, to 74.5%. This compares to a UK average of 75.6%. Unemployment in Scotland was down 0.5 points to 3.8% in the period, and inactivity down 0.3 points to 22.4% among those aged between 16 and 64 years.

103. On 22 March the Royal College of Psychiatrists [published](#) findings from a nationwide survey that reported one third of adults in the UK said their mental health had deteriorated as a result of the pandemic.
104. On 28 March Action for Children [published](#) findings from its research report into childhoods across the UK. It found that many families believe that childhoods are getting worse and children do not have a brighter future than previous generations. It also found children saw their own mental health as an issue had increased from 29% in 2019 to 42% in 2022 and that three in ten children worry about their family having enough money to live comfortably.

Conclusion

105. The Commission is invited to:

- a) Agree that it does not respond to the consultations highlighted at paragraphs 39, 44 and 73
- b) That it respond to the upcoming consultation highlighted in paragraph 73 when this goes live.
- c) Note this report.

Paul Reilly
Secretary to the Commission
1 April 2022

**Appendix 1 Accounts Commission reports/blogs in past 12 months:
Downloads and views**

Report / Blog	Date	Report downloads/ blog views
Blog: The value of independence and scrutiny across local government	24 Feb 22	36
Social care briefing	27 Jan 22	1,854
Falkirk Council Best Value Assurance Report	13 Jan 22	771
Blog: Public performance reporting – why it matters	21 Dec 21	267 (+76)
Blog: Assurance and scrutiny on Scotland’s housing benefit services	25 Nov 21	225 (*)
Community empowerment: Covid-19 update	28 Oct 21	2,363 (+176)
South Ayrshire Best Value Assurance Report	27 Oct 21	621 (+53)
Auditing climate change: An update	21 Oct 21	652 (+66)
The role of sponsors in our reporting work	14 Oct 21	192 (*)
The impact of Covid-19 on Scottish Councils’ benefit services	7 Oct 21	355 (+36)
Blog: Christie – it really is now or never	4 Oct 21	679 (+32)
East Dunbartonshire Best Value Assurance Report	29 Sept 21	504 (+50)
Accounts Commission Strategy 2021-26	23 Sept 21	678 (+65)
Blog: Digital exclusion	16 Sept 21	973 (+101)
Blog: Child and Adolescent Mental Health Services	31 Aug 21	1,208 (+47)
Blog: Public Services and Scotland’s Voluntary Sector during Covid-19?	25 Jun 21	549 (*)
Best Value Assurance Report: Aberdeen City Council	24 Jun 21	1,006 (+63)
Social Care: social care reform questions remain	3 Jun 21	1,891 (*)
Accounts Commission annual report 2020/21	3 Jun 21	442 (*)
Local government in Scotland Overview 2021	27 May 21	3,509 (+228)
Equality Outcomes 2021-25	27 Apr 21	691 (+47)
Mainstreaming equality and equality outcomes: progress report 2019-21	27 April 21	552 (+34)

Note: Figures are reported as at the end of February 2022.

Key:

- (x) Increase in numbers since last month
- * This figure is below 30
- n/a Not applicable

Appendix 2: Accounts Commission social media engagement data

	Followers	Posting views	Video views	Links accessed	Retweets	Likes	Replies	No. of publications
Mar 22	831 (+23)	33,100	2,800	118	77	61	12	5
Feb 22	807 (+2)	8,000	1,100	60	34	32	1	1
Jan 22	805 (+13)	12,600	839	103	27	38	6	2
Dec 21	792 (+4)	6,500	108	48	20	25	2	0
Nov 21	788 (+10)	6,600	499	32	29	35	0	1
Oct 21	778 (+13)	22,500	316	93	47	97	6	6
Sep 21	765 (+8)	13,600	584	43	35	39	0	3
Aug 21	757 (-1)	11,200	339	48	3	13	0	0
Jul 21	758 (+18)	7,700	24	5	16	26	0	0
Jun 21	740 (+14)	56,900	513	348	113	174	8	1
May 21	726 (+22)	46,300	836	122	95	148	9	1
Apr 21	704 (+3)	3,300	n/a	1	1	0	0	0
Mar 21	701 (+15)	36,100	2,100	76	66	138	10	1

Figures as of 25 March 2022.

Change on previous month shown in brackets.

MEETING: 7 APRIL 2022

REPORT BY: CHAIR OF ACCOUNTS COMMISSION

CHAIR'S UPDATE REPORT

Purpose

1. This report provides an update on the engagements and work of the Chair of the Accounts Commission.

Engagement and Audit Scotland business

2. The engagements and work in the period of 1 to 31 March have been as follows:

Audit Scotland Board and Committee meetings

- 2 March – Audit Committee and Remuneration and Human Resources Committee (Remco) meetings.
- 15 March – Audit Scotland Board development discussion with Judith Strange, external consultant, in advance of workshop scheduled for 5 April.

Audit Scotland engagement

- 14 March – Monthly catch up with Stephen Boyle, Auditor General for Scotland and Accountable Officer, Audit Scotland.
- 21 March – Joint Work Programme discussion with Stephen Boyle, Tim McKay, Interim Deputy Chair, Patrick McFall, Communications Adviser, Michelle Borland, Business Manager and Gemma Diamond and Mark Roberts, Audit Directors, Performance Audit and Best Value.
- 22 March – Follow-up Audit Scotland Board induction meeting with Martin Walker, Acting Director, Corporate Services.
- 23 March – Recruitment meeting to discuss Audit Scotland Executive Director of Audit Services interviews.
- 23 March – Introductory meeting with Stuart Dennis, Corporate Finance Manager and Paul Reilly, Secretary.

External engagement

- 8 March – Introductory meeting with Kenneth Lawrie, Chair, Local Government Benchmarking Framework (LGBF) Board, and Chief Executive, Falkirk Council.
- 15 March – Strategic Scrutiny Group meeting. Update will be shared with members at the May Commission meeting.
- 17 March – Introductory session at Local Government Sector forum attended by various Audit Scotland Audit Directors and representatives from the audit firms.

- 21 March – Recruitment meeting with Scottish Government and Paul Reilly to discuss member recruitment.
- 22 March – Introductory meeting with Andrew Kerr, SOLACE (Society of Local Authority Chief Executives) Chair, and Chief Executive, Edinburgh.
- 28 March – Public Sector Reform discussion with Stephen Boyle, Antony Clark, Interim Director of Performance Audit and Best Value, Dr Laura Turney, Head of Public Sector Reform and David Milne, Public Sector Reform and Community Planning team leader, Scottish Government.

3. Commission business has been as follows:

- Regular catch ups with Paul Reilly and Jillian Elgin, Executive Assistant to the Commission.
- 3 March – Best Value Working Group meeting. Updates are shared with Commission members at each monthly Commission meeting as a standing item on our agenda and papers are shared on the Commission SharePoint site.
- 9 March – Accounts Commission pre-meeting.
- 10 March – Accounts Commission meeting.
- 14 March – Local Government Overview discussion on draft report with Tim McKay, Antony Clark and Local Government Overview team to discuss the approach, timing and emerging messages for the Local Government Overview due for publication in May.
- 15 March – Financial Local Government Overview media preparatory session with Joanna Mansell, Communications Adviser, Brian Howarth, Audit Director, Audit Services, and Blyth Deans, Senior Manager, Performance Audit and Best Value.
- 17 March – Contingency planning exercise with members.
- 17 March – S102 Orkney and Shetland Valuation Joint Board media preparatory session with Joanna Mansell and Mark MacPherson, Audit Director, Performance Audit and Best Value.
- 22 March – Strategy Seminar catch up with Andrea Quinn, facilitator, Geelox, and Paul Reilly.
- 23 March – Catch up with Tim McKay.
- 23 March – Forward planning meeting with Tim McKay, Paul Reilly, Lucy Carter, Policy Manager for the Commission, and Jillian Elgin to discuss up and coming Commission business.
- 29 & 30 March – Accounts Commission Strategy Seminar.

4. Other areas of work have included:

- Preparation and media interviews for Local Government Financial Overview publication.
- Preparation and media interviews for Orkney and Shetland Valuation Joint Board.

- Consultation response on Public Sector Equality Duty in Scotland.
- Covid-19 recovery press release in conjunction with Geraldine Wooley, member.
- Recruitment preparation for new Executive Director of Audit Services.
- Interview for Audit Scotland staff magazine Abacus.

Forthcoming activities

5. My forthcoming engagement activities include:

- 5 April – Audit Scotland Board meeting and Board development session.
- 7 April – Accounts Commission meeting.
- 14 April – Best Value Working Group meeting.
- 14 April – Monthly catch up with Tim McKay.

Conclusion

6. The Commission is invited to:

- a) note this report and enquire about any areas of interest
- b) consider whether there are any changes that they would wish to see to the format and content of the report for the future.

William Moyes
Chair
29 March 2022

MEETING: 7 APRIL 2022

REPORT BY: INTERIM CONTROLLER OF AUDIT

INTERIM CONTROLLER OF AUDIT UPDATE REPORT

Purpose

1. This report provides an update on my engagement activity during March 2022.

Engagement

2. Please note below my engagements in March:
 - **2 March** – Following the Pandemic Pound (FtPP) Steering Group meeting.
 - **3 March** – Attended Scottish Parliament’s Public Audit Committee (PAC) with the Auditor General for Scotland (AGS) and audit team to present the January 2022 Social care briefing to the Committee.
 - **3 March** – Best Value Working Group (BVWG) meeting.
 - **4 March** – Monthly engagement meeting with Paul Reilly, Secretary to the Commission.
 - **4 March** – Interim Controller of Audit update to Chartered Institute of Public Finance and Accountancy (CIPFA) Directors of Finance Executive Committee on key local government audit issues and recent Audit Scotland developments.
 - **4 March** – Bi-monthly engagement meeting with Communications Adviser and Policy Manager to the Commission.
 - **8 March** – Supporting businesses through the Covid-19 pandemic – post clearance report discussion with the AGS and Accounts Commission (AC) sponsor (Geraldine Wooley).
 - **9 March** – Accounts Commission pre-meeting.
 - **10 March** – Accounts Commission meeting.
 - **11 March** – Child poverty output – scope discussion with AGS and AC sponsors (Andrew Burns and Sophie Flemig).
 - **14 March** – Local Government Overview (LGO) draft report discussion with AC sponsors (Bill Moyes and Tim McKay).
 - **14 March** – Engagement meeting with Paul Reilly to discuss Best Value (BV) thematic audit work proposals ahead of the Accounts Commission Strategy Seminar.
 - **15 March** – Strategic Scrutiny Group meeting – presentation with Jennifer Henderson (Keeper of the Registers of Scotland) on the Scottish Leaders Forum (SLF) report [Leadership, Collective Responsibility and Delivering the National](#)

[Outcomes: Improving accountability and incentives to deliver the National Performance Framework \(NPF\) outcomes](#) which was published on 10 March 2022.

- **16 March** – Monthly catch up with the Correspondence team.
- **16 March** – Regular catch-up meeting with Audit Scotland colleagues leading on the BV approach to councils and Integration Joint Boards (IJBs) (Fiona Mitchell-Knight, Carol Calder and Leigh Johnston).
- **17 March** – Angus Best Value Assurance Report (BVAR) draft report discussion with the team.
- **17 March** – Local Government Sector Forum meeting.
- **18 March** – Scottish Leaders Forum (SLF) meeting with the Scottish Government's new Permanent Secretary ([John Paul \(JP\) Marks](#)) to discuss the SLF Action Group's NPF Accountability and Incentives work.
- **28 March** – Meeting with Scottish Government (Laura Turney, Head of Public Service Reform Team and David Milne, Public Bodies and Public Service Reform Division) with the AGS and Accounts Commission Chair to discuss public sector reform.

Forthcoming activities

3. My upcoming engagements in April include:

- **1 April** – Quarterly engagement meeting with Steve Grimmond, outgoing SOLACE (Society of Local Authority Chief Executives) Chair.
- **4 April** – Falkirk BVAR post project review with the team.
- **6 April** – Accounts Commission pre-meeting.
- **6 April** – SLF Accountability and Incentives Action Group meeting.
- **6 April** – Bi-monthly engagement meeting with the Chair, Financial Audit and Assurance Committee (FAAC).
- **7 April** – Accounts Commission meeting.
- **11 April** – Meeting with third sector organisations ([The Hunter Foundation](#), [The Robertson Trust](#), Wellbeing Economy Alliance Scotland ([WEAll Scotland](#))) to discuss collaboration on Scottish Government funding streams, new models of governance and accountability and innovative local public service delivery.
- **14 April** – Best Value Working Group meeting.
- **19 April** – Quarterly engagement meeting with Sean Neill, Director, Local Government and Communities, Scottish Government.
- **20 April** – Monthly catch up with the Correspondence team.
- **26 April** – Quarterly engagement meeting with Sally Loudon, Chief Executive, Convention of Scottish Local Authorities (COSLA).

- **27 April** – Regular catch-up meeting with Audit Scotland colleagues leading on the BV approach to councils and IJBs (Fiona Mitchell-Knight, Carol Calder and Leigh Johnston).
- **28 April** – Follow up meeting with [Scotland Funders' Forum](#) to discuss charity reserves (convened by Lynn Hendry, The Hunter Foundation).

Antony Clark
Interim Controller of Audit
16 March 2022